

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: January 18, 1996


SUBJECT: **HB 2025 - SB 2071**

This bill, if enacted, will require financial institutions to file a combined report for corporate excise tax purposes. Combined reporting requires that all intercompany receipts and expenses be excluded in calculating a corporation's net earnings. Some banks currently pay the tax based on combined reporting.

The fiscal impact from enactment of this bill is estimated to be an increase in state revenues of \$5,000,000.

The Department of Revenue notes that in the absence of this bill, those institutions currently filing on a combined report basis could file amended returns, with a potential first year loss of revenue to the state exceeding \$20,000,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.


James A. Davenport, Executive Director

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